



**Bear Stearns High-Grade Structured
Credit Strategies Enhanced Leverage
(Overseas) Ltd. (in Voluntary Liquidation)**
Meeting of Investors
December 4, 2007

ADVISORY

AUDIT • TAX • ADVISORY

Glossary

• Administrator	PFPC Inc.
• Bear Stearns	Bear Stearns & Co. and other affiliates relating to their prime brokerage services
• BSAM	Bear Stearns Asset Management Inc.
• Cayman Court	The Grand Court of the Cayman Islands
• Deloitte	Deloitte and Touche LLP
• Feeder Fund	Bear Stearns High-Grade Structured Credit Strategies Enhanced Leverage (Overseas) Ltd.
• ELM	Bear Stearns High-Grade Structured Credit Strategies Enhanced Leverage Master Fund, Ltd.
• JPLs	The Joint Provisional Liquidators
• JOLs	The Joint Official Liquidators
• JVLs	The Joint Voluntary Liquidators
• KPMG	KPMG in the Cayman Islands
• Master Fund	Bear Stearns High-Grade Structured Credit Strategies Enhanced Leverage Master Fund, Ltd
• NAV	Net Asset Valuation
• US Court	United States Bankruptcy Court of the Southern District of New York



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Agenda

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- Chronology
- Statement of Assets and Liabilities as at October 12, 2007
- Feeder Fund appointment
- November 14, 2007 meeting
- Court Supervision
- Investigations
- Reporting and the provision of information
- Q&A
- Any other business

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in connection with this
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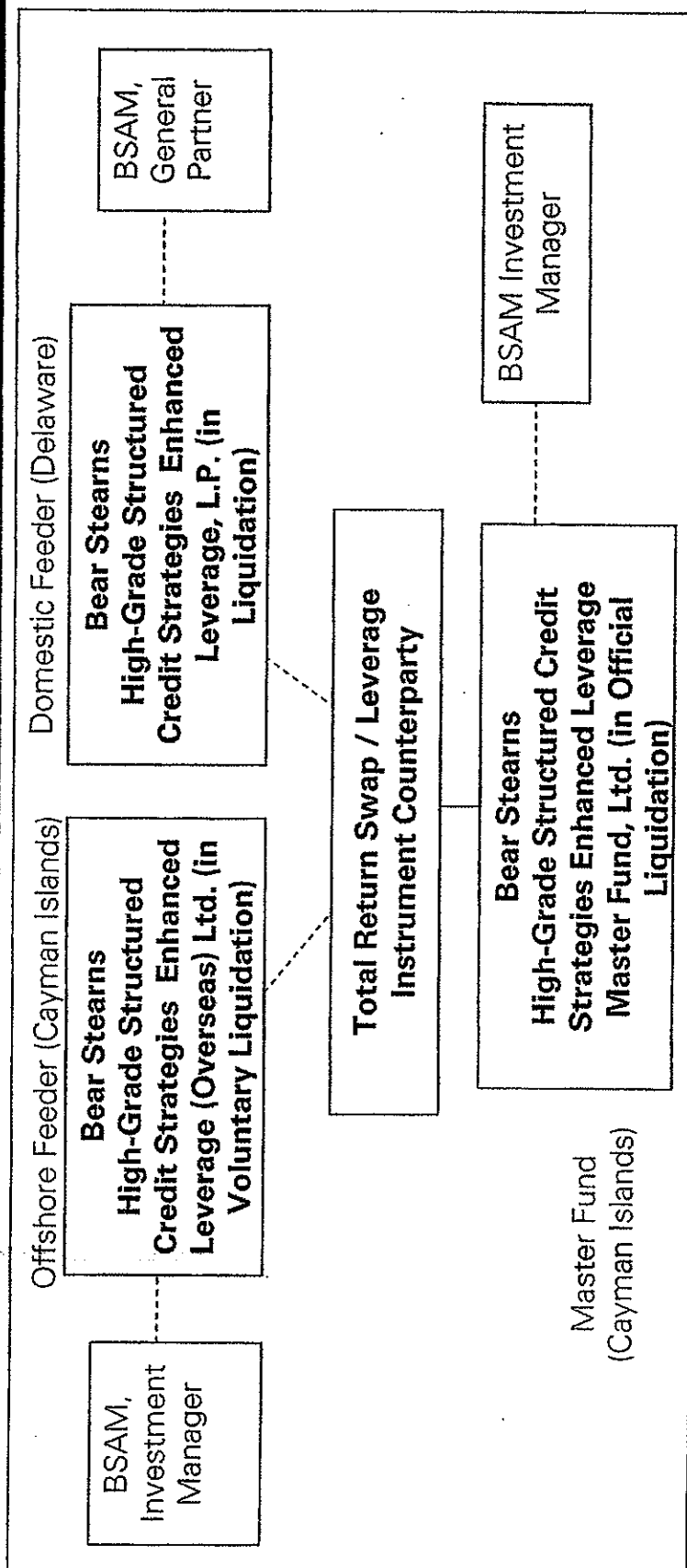
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Structure Chart

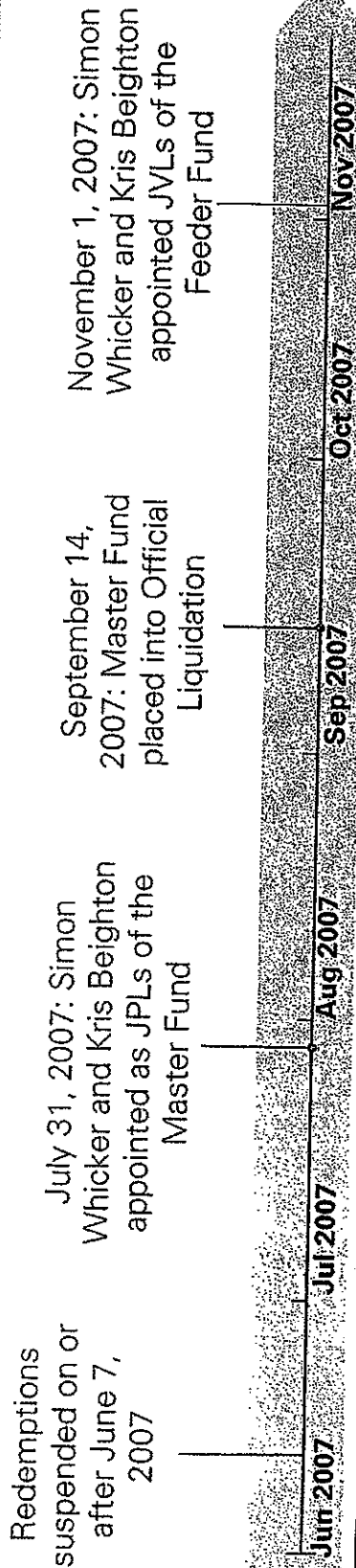


- The 'Feeder' of the Master Fund entered into a Total Return Swap with the Master Fund's shareholder. In return for a financing fee the shareholder provided a notional return of up to 2.75 times the 'Feeder's' investment based on the performance of ELM.
- The Leverage Instrument Counterparty is the only participating shareholder of ELM.



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Chronology



Since July 31, 2007 the JOLs have been:

- Realising the assets of the Master Fund.
- Meeting with creditor counterparties.
- Investigating the circumstances for the substantial loss of value.
- Reviewing counterparty reconciliations.
- Seeking to preserve the assets in the US by filing for Chapter 15 protection.
- Setting a date by which creditors should prove their debts.
- Holding a first meeting of creditors and forming a Liquidation Committee



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Statement of Assets and Liabilities as at October 12, 2007

	Unaudited information provided by BSAM	Estimated to Realise
	USD \$'000	USD \$'000
Assets		
Cash	-	750
Redemptions receivable from Master Fund	74	-
Receivables due to overpayment of redemption proceeds	14,108	14,108
Total assets	14,182	14,858
Liabilities		
Investment Management fees payable to BSAM	2,757	2,757
Accounting and Administrative fees payable	29	29
Professional fees payable	54	54
Directors fees payable	3	3
Redemptions payable	74	74
Total Liabilities	2,917	2,917
Net assets	11,265	11,941



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Supporting information

- The Master Fund has realisable assets up to a possible value of c.\$50m and liabilities in excess of \$200m. Therefore the Master Fund is heavily insolvent. As a result, it is highly unlikely that the Feeder Fund will realise any value from equity in the Master Fund.
- The balance relating to Redemptions receivable appears to be a creditor claim and represents an unsecured claim in the Master Fund liquidation.
- The Feeder Fund's main asset is the potential receivable of an overpaid redemption.
- The timing of recovery is difficult to estimate at this stage.
- Therefore, the JVLs have concluded that the Feeder Fund is currently cash flow insolvent.
- The amount of US\$750,000 represents funding supplied by BSAM to finance the JVLs investigations.



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Feeder Fund appointment

- As a result of the work already conducted, BSAM, the independent directors and sole voting shareholder felt it would be most efficient and practical to appoint individuals from KPMG as Liquidators of the Feeder Fund in order to undertake a comprehensive independent review.
- On the basis that there were no liquid assets available to fund a liquidation and investigation, BSAM injected US\$ 750,000 into the Feeder Fund.
- In order to maintain their independence, the JVLs required this funding to be non-recourse to BSAM.
- The funding is intended to allow the JVLs to conduct an objective investigation into the Feeder Fund and consult with the investors on the same.
- As the Investment Manager, BSAM are providing historical information as requested by the JVLs.
- As the Administrator, PFPC are providing information to the JVLs in order to facilitate the investigation. This includes access to the books and records.



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November 14, 2007 meeting

- A meeting of investors took place on November 14, 2007.
- Bart M. Schwartz and John C. Crittenden III were appointed directors by resolution of the shareholders.
- Section 136(f) of the Cayman Islands Companies Law provides that upon appointment of liquidators all powers of the directors cease.
- Therefore whilst the new directors have a duty to co-operate with the JVLs, they have no power to act on behalf of the Feeder Fund without the express permission of the JVLs.



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Court Supervision

Court Supervision

- Given the close scrutiny being given to the Official Liquidation of the Master Fund and to ensure that the liquidations of all Cayman entities are dealt with in a consistent manner, the JVLs believe that it is appropriate to take the Voluntary Liquidation of the Feeder Fund under the supervision of the Cayman Court. This hearing is due to take place on December 14 2007.

Advantages of taking supervision under Cayman Court

- The Feeder Fund invests in the Master Fund, which was also subject of a winding up by the Cayman Court. It is convenient that our appointment be brought under Court Supervision so that both liquidations can proceed on the same basis.
- The interconnected liquidations have already been involved in applications to the US courts, It would facilitate any further applications if the Feeder Fund was also subject of liquidators who were court supervised.
- The JVLs anticipate that there are likely to be issues which may be required to be brought before the court and it would make sense for this to be done in the context of a court supervised liquidation.



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Investigations

- In conjunction with ongoing investigations at the Master Fund level, the JOLs will investigate:
 - Potential causes of action against service providers.
 - The level and validity of management fees.
 - Subscriptions and redemptions - preferences and insiders.
 - Dealings/Communications with Investors.
- This list is by no means exhaustive.
- To assist with the liquidators' investigations it is very important for the liquidators to receive feedback from the investors. Accordingly a questionnaire will be issued to all investors and the JVLs would be grateful to receive all completed forms by December 31, 2007.
- The JVLs would welcome any comments from the investors regarding particular areas of concern or areas for investigation.



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Reporting and the provision of information

Formal reporting

- In due course the JVLs intend to prepare a report to the Cayman Court regarding the liquidation of the Enhanced Leverage Feeder Fund and the outcome of their investigations.
- This report will not be prepared until the JVLs investigations are either completed or well progressed.
- The JVLs currently intend to provide a version of this report to the investors.
- Other updates may be posted on the website.

Website

- A website will be established to provide investors with information regarding the liquidation. We will forward further details in due course.



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Next steps

- The JVLs would like to solicit feedback from the stakeholders as to whether they would like to form an investors committee.
- The purpose of the committee will be to liaise with the JVLs, act as a sounding board for the conduct of liquidators and provide an efficient channel of communication in various liquidation matters such as investigations.



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Q & A

- Questions from investors and their representatives to the JVLs



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Basis of Presentation and Disclaimer

Basis of presentation

This report has been prepared solely for the purpose of informing stakeholders of the progress made in the Voluntary Liquidation of the Feeder Fund pursuant to the appointment of the JVLs on November 1, 2007. This report has been prepared using the information available to us as at November 30, 2007. Investigations are ongoing and new information is continuing to be received. Such new information may result in material changes to the status of matters as set out in this report.

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